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Money, polo and sex stories told at Rewald's trial

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The Ronald Rewald trial moved away from the CIA yesterday and back to money, polo ponies and sex.

Rewald contends the different subjects are inextricably intertwined with the CIA because his lavish spending was part of his CIA cover as a wealthy businessman.

He is on trial on federal charges of perjury, fraud and tax evasion.

Advertising executive Ken Sanders testified yesterday that different financial statements he prepared at Rewald's request for the year 1981 showed the company claimed \$1.4 billion in assets in one version and \$123 million in a later version.

It wasn't his job to question the chairman of the board, Rewald, Sanders said.

"I was just a proofreader."

Sanders said he and his parents lost thousands of dollars to Rewald when the company collapsed, and that the sale of his own advertising firm to Rewald fell through, crushing the ad agency under debts Sanders is still paying off.

Businessman Guanda Gautama of Indonesia testified he lost close to \$400,000 in Rewald's Bishop Baldwin Rewald Dillingham & Wong. He denied there was any relationship between his investment and Bishop Baldwin's research on how he could obtain a U.S. visa.

Stable owner Bud Gibson testified that Rewald spent over \$160,000 on polo lessons and related services, even though he was so allergic to horses he had to wear gloves when near them, and appeared to be afraid of them. When Rewald started his lessons, Gibson said, he rated a minus one on a scale of ten. When he finished, he rated zero.

But Rewald did mingle through polo with international figures including the Sultan of Brunei, Gibson said.

Earlier, construction contractor Felix Weyle testified Rewald was pleased with a remote-controlled \$8,000 waterfall with sound effects built as part of a \$50,000 face-lift for his Grosvenor Center office.

Rewald even installed plush white carpeting in a Waimanalo ranch into which he poured \$480,000, Weyle said.

Former legal secretary Kathy Subica of Kona testified yesterday she received \$8,550 in Bishop Baldwin checks from Rewald, including a \$2,000 loan, after agreeing to be his "companion" for \$1,000 a month.

She, like another legal secretary before her, testified that her relationship with Rewald started after he invited her to Arthur's, a downtown Honolulu restaurant, for lunch.

She said she was paid when she had sex with him four times at a Harbor Square apartment he kept and was paid on a number of other occasions when they did not have sex because he said he had to go to business meetings instead.

Asked by Rewald attorney Michael Levine, the federal public defender, why she got as many as a dozen checks when there was no sex, Subica said she had told Rewald she needed help because "I have four kids."

"I don't think I was paid to make sex," she said. "He was just a good guy."